

DETAILS OF INTERESTING CLAIM

(From EAR & CAR - Third Party Liability - Existing and Surrounding Property IMIA Paper WGP40 (05))

No: DOIC20 (CAR/TPL)

Type of Insurance:

CAR/TPL

Description of damaged item:

Accident caused by the insufficient maintenance period

Cause of Loss:

(2) Faulty material or workmanship

Claim Cost

Description of Incident and Loss Prevention Measures initiated:

After project completion but within the maintenance period the individual apartments were soon occupied by the new owners and tenants and common areas including the new swimming pool were in frequent use. After very short usage however a tragic accident occurred, when a 9-year-old child was mysteriously sucked into one of the pool's outlet pipes. Despite desperate efforts by a lifeguard, the child could not be pulled out of the duct and drowned. The lifeguard also incurred severe injuries as his leg was sucked into the duct.

Forensic investigations soon revealed that a protective cover plate over the drainage duct was not adequately bolted to the pool wall and apparently fell to the bottom of the pool, opening up the large drainage duct.

Outline the interesting or unusual aspects of this claim or problems experienced during settlement:

The developer and contractors of all tiers for a prestigious residential complex were insured through a CAR / TPL policy. The policy was extended to include full maintenance cover and TPL during the maintenance period.

A court ruling determined coverage for this tragic accident under the TPL extension of the construction policy since the TPL cover was still in force and the original cause of the accident, the inadequate fixation of the cover plate, was done within the construction period.

CODES

1. Type of Insurance

M - Machinery Breakdown

BE - Boiler Explosion

LP (M) M - Loss of Profits

ALOP (DSU) - Advance Loss of Profits

EAR - Erection All Risks

CAR - Contractors All Risks (Civil)

G - Guarantee

EE - Electronic Equipment

O - Other Classes

2. Cause of Loss

(1) Faulty operation

(2) Faulty material or workmanship

(3) Faulty design

(4) Other internal causes

(5) Fire

(6) Explosion

(7) Storm

(8) Earthquake

(9) Other external causes

(10) Other causes or unknown